

News Release



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U.S. Labor Department Sues to Recover for Workers More Than \$1 Million in 401(k) Assets Transferred to Michigan Employer

GRAND RAPIDS, Mich. -- The U. S. Department of Labor has sued the former president of now-defunct Rycenga Homes Inc., Spring Lake, Mich., for misusing more than \$1 million of 401(k) assets to pay corporate debts.

"This plundering of 401(k) assets to subsidize corporate activities jeopardizes the retirement income of workers and will not be tolerated," said U.S. Labor Secretary Elaine L. Chao. "Our legal actions seek to restore money owed to the plan to pay future benefits to these workers. Last year, this Administration recovered for workers and their families over \$3 billion related to pension, 401(k), health and other benefits."

Between August 1992 and May 2004, Ronald Retsema, president and plan trustee, violated the Employee Retirement Income Security Act (ERISA) by allegedly transferring more than \$2.5 million from Rycenga Homes' 401(k) plan to the business and failing to remit contributions deducted from employees' paychecks to the 401(k). The department estimates that over \$1 million in assets plus interest were not repaid to the 401(k). In a separate complaint, the department sued Retsema in bankruptcy court to ensure that any debt he owes to the plan is not dischargeable.

The civil lawsuit, filed in U.S. District Court for the Western District of Michigan, seeks to require that Retsema repay all losses with interest to the plan and undo any transactions prohibited by law. It additionally asks that he be permanently barred from serving as a fiduciary or service provider to any ERISA-covered employee benefit plan in the future. The suit also seeks appointment of an independent fiduciary to collect, terminate and distribute any remaining plan assets to eligible plan participants.

Employers and workers can reach the Cincinnati regional office of the Employee Benefits Security Administration (EBSA) at 859-578-4680 or through EBSA's toll free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans.

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(Chao v.Retsema)
Civil Action No. 1:05-cv-323
In Re: Ronald James Retsema and Mary Lou Retsema
Bankruptcy Case No. 04-13062-jdg

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